

## **Appendix B. President's Management Agenda: Common Measures for Federal Job Training and Employment Programs**

### **Background**

The President's Management Agenda, announced in the summer of 2001, is an aggressive strategy for improving the management of the Federal government. It focuses on five areas of management weakness across the government where improvements and the most progress can be made.

One of five areas to be addressed under the President's Management Agenda is the integration of performance and budget through which the Administration plans to formally integrate performance review with budget decisions. The first evidence of this formal integration was in the context of the FY 2003 budget, in which several government programs were rated as to effectiveness. This will continue with the FY 2004 budget as a result of discrete program assessments being conducted by the Office of Management and Budget and the Agencies of government. A component of this process includes comparison based upon the goals and related performance for the GPRA goals set forth in the Department's Annual Performance Plans.

### **Common Measures**

A key component in the integration of performance and budget is the creation of common metrics to evaluate the effectiveness of similar programs. Under a federal common measures initiative, the Department of Labor is implementing a set of common measures that will apply to about thirty one federal job training and employment programs including those administered by the Department's of Education, Housing and Urban Development, Health and Human Services, Veterans Affairs and Interior. Seventeen of the programs are administered by DOL. The purpose of this initiative is to develop common performance measures for adult programs that address the goals of getting a job, keeping a job and improving earnings for participants in all affected programs as well as the related costs. A separate set of measures for entry into employment and education, attainment of a degree or certificate, literacy and numeracy gains and cost are proposed for youth employment and education programs.

The Department's initial steps to implement the measures include using the measures to propose indicators in the FY 2004 budget, using the measures in the development of its strategic plan and providing information below that approximates FY 2002 performance based upon the proposed measures where possible.

### **DOL's future plans to further address this initiative**

In addition to the steps described above, the Department will begin in FY 2003 the process of revising definitions of existing measures and reporting requirements consistent with existing statutory authority. The common measures for Adults of entered employment, earnings and retention will be used for adult programs administered by DOL, including the WIA Dislocated Worker program and the labor exchange activity. The common measures for youth programs will be used as appropriate for youth programs administered by DOL. To the extent that there statutory indicators or measures that do not fall within the meaning of the common measures they will be used until revised by statute. The Department will also work with stakeholders on the implementation of the measures. The revised definitions and reporting instructions will require approval under the Paperwork Reduction Act.

The Department may also seek revisions to performance measures under the various statutory authorities subject to reauthorization.

## Preliminary Reporting

The proposed common measures of performance are similar in many cases to the existing program measures for several job training and employment programs currently administered by the Department. However, it is important to note that no common measure is calculated exactly like any current performance measure. New measures, without similar current measures include an efficiency measure, which is a derivative of appropriations and participants, a measure of literacy and numeracy gains for youth, and a measure of attainment of a certificate.

Set forth below are estimates of FY 2002 (PY 2001) performance using the proposed definitions for the common measures where it is possible to develop such an estimate.

<b>Agency: ETA</b>		
<b>Program: Adult Formula</b>	<b>Estimated FY2002/PY 2001 Performance</b>	<b>Notes</b>
<b>WIA Adult</b>		
Entered Employment	70.4%	The Workforce Investment Act (WIA) measure definition is the same as the common measure definition and is 73.3% as of 4 <sup>th</sup> quarter PY 2001. However, because WIA allows the use of supplemental data in addition to UI wage records to report performance, we have deflated the estimated entered employment rate by 2.9%. This percentage is the average amount that the use of supplemental data increased the entered employment rate in PY 2000 (the adjustment would be an average of 4.1 % for states using supplemental information).
Retention	75.9%	The WIA measure definition is similar to that for the common measure definition except that the common measure uses different quarters. The calculation of the WIA measure does not allow the reporting of retention during the 1 <sup>st</sup> and 2 <sup>nd</sup> quarters at this time. Performance reported here is at the third quarter following exit and is also reduced by 2.9% from 78.8% as of 4 <sup>th</sup> quarter PY 2001.
Earnings Increase	Data not available.	The WIA measure uses different quarters than the common measure and is calculated as a dollar figure while the proposed earnings gain is calculated as a rate. We are unable to break out the post- and pre- program earnings by quarter in order to calculate the earnings increase rate in a manner similar to the common measure calculation.
Efficiency	\$2,464	Calculated as the FY02 appropriation level \$950 million divided by the number of WIA Adult participants 385,508 as of the 4th quarter of PY01.

<b>WIA Dislocated Worker</b>		
Entered Employment*	75.1%	The rate here reflects the calculation of WIA DW entered employment rate, which includes both those who are and are not employed at registration. This differs from the common measures definition that includes only those who are unemployed at registration. There is no way to separate only the unemployed from the DW measure at present time.
Retention*	86.8%	The WIA measure definition is the same as the common measure definition. However, the calculation of the WIA measure does not allow the reporting of retention during the 2 <sup>nd</sup> quarter at this time.
Earnings Increase	2.4%	This estimate reflects the PY00 outcome because PY01 data is not available to calculate the measure according to the common measure methodology.  Also, this estimate uses different quarters from the common measure quarters, and it does not include two measurement points as provided in the common measures.
Efficiency	\$	Calculated as the FY02 appropriation level for formula grants divided by the number of WIA Dislocated Worker participants as of the 3 <sup>rd</sup> quarter of PY01.
<b>TAA/NAFTA-TAA</b>		
<i>2001 performance reported; 2002 data not yet available.</i> By FY03, TAA/NAFTA-TAA performance measures will align to WIA performance measures. Therefore, we use the assumptions made for WIA measures		
Entered Employment*	66%	
Retention*	90%	
Earnings Increase	Data not available.	Only earnings replacement rate is available; we are unable to calculate the earnings increase at this time.
Efficiency	Data not available.	The training (not including benefit) appropriation for PY01 was \$131,659,000. Participant data not yet available.
<b>Employment Service</b>		
Entered Employment		Data not yet available.
Retention		Data not yet available.
Earnings Increase	Data not available	We do not currently gather information that would permit an estimate of performance. The Department's view is that the labor exchange design would not produce a meaningful increase in the rate of earnings.
Efficiency	\$204	This estimate reflects PY01 appropriations and participants. It was calculated as the FY01 appropriation level for grants to states divided by the number of ES participants reported at the end of PY00.

<b>Program: Youth Formula</b>	<b>Estimated FY2002 Performance**</b>	<b>Notes</b>
<b>WIA Youth</b>		
Placement in Employment or Education*	60.3%	This estimate reflects the WIA Older youth entered employment rate. This measures the entered employment rate for those who are not employed at registration and are not enrolled in education at the time of program entrance. We are unable to determine entrance into education at this time.
Attainment of a degree or certificate by participants	31% (older) 31.9% (younger)	The WIA older youth measure is the credential rate; the younger youth measure is the diploma or equivalent attainment rate.  For WIA youth programs, attainment of a degree/certificate may be counted if it occurs from the time of registration to the end of the fourth quarter after exit.
Literacy and Numeracy Gains	Data not available.	We are unable to calculate this measure based upon current WIA reporting.
Efficiency	\$	Calculated as the FY02 appropriation level divided by the total number of WIA Youth (older and younger) participants as of the 3 <sup>rd</sup> quarter of PY01.
<b>Job Corps</b>		
Placement in Employment or Education	89.9%	This estimate reflects the 4 <sup>th</sup> quarter of PY01. The estimate may not reflect the common measures methodology for program participants.
Attainment of a degree or certificate by participants		
Literacy and Numeracy Gains	Data not available	The current Job Corps methodology is not comparable to the common measure.
Efficiency	\$	Calculated as the FY02 appropriation level for operations divided by the total number of WIA Youth (older and younger) participants as of the 4 <sup>th</sup> quarter of PY01.

\*\*All estimates were developed based on preliminary data for PY 2001.